Supreme Court, U.S.
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No. 03-

IN THE

Supreme Court of the United States

KATHLEEN THOMAS, WILLIAM T. CHERRY, III, and CONTRACT MANAGEMENT SERVICES, INC.,

Petitioners,

v.

TRAVEL NURSES INTERNATIONAL, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED FOR REVIEW

Whether a "blank form" may be entitled to copyright protection as a compilation based on the arrangement of the questions and the selection of the categories of information sought.

CORPORATE DISCLOSURE STATEMENT

Petitioner, Contract Management Services, Inc., is a part of Contract Management Services Group which is privately held.

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Appendix B — Orders Of The United States District Court For The Eastern District Of California Dated And Filed August 27, 2002 ..... 3a

Petitioners, Kathleen Thomas, William T. Cherry, III and Contract Management Services, Inc. (collectively "CMSI"), respectfully petition for a writ of certiorari to review the judgment of the Court of Appeals in this case.

OPINIONS BELOW

Contract Management Services, Inc. et al. v. Travel Nurse International, Inc., 83 Fed. Appx. 978, 2003 WL 23095804 (9th Cir. (Cal.)) (2003) (App. A).

Contract Management Services, Inc. et al. v. Travel Nurse International, Inc., United States District Court Eastern District, California (Fresno), Case No. CIV-F-01-5317-SMS, slip op. (August 27, 2002) (App. B).

STATEMENT OF JURISDICTION

This Petition seeks review of the Ninth Circuit Court of Appeals' December 24, 2003, Memorandum Opinion affirming an Order and Judgment granting a motion for summary judgment entered by the United States District Court for the Eastern District of California, Fresno Division on August 30, 2002. Accordingly, jurisdiction is proper under 28 U.S.C. § 1254.

STATUTES IMPLICATED

This Petition concerns the applicability and interpretation of the "blank forms rule" set forth in 37 C.F.R. § 202.1(c), which provides, in pertinent part, that:

> The following are examples of works not subject to copyright
>
> . . .
>
> (c) Blank forms, such as time cards, graph paper, account books, diaries, bank checks, scorecards, address books, report forms, order forms and the like, which are designed for recording information and do not in themselves convey information.

37 C.F.R. § 202.1(c) (1982).

This Petition also involves the definition of "compilation" as found within the Copyright Act, which provides as follows:

> A 'compilation' is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term 'compilation' includes collective works.

17 U.S.C. § 101

STATEMENT OF THE CASE

Petitioners Kathleen Thomas ("Thomas") and William T. Cherry, III ("Cherry") are the president and vice-president, respectively, of Contract Management Services, Inc. CMSI's client base is made up of not only registered nurses, but also hospitals. CMSI manages the contracts between the nurse and

the hospital. To that end, CMSI maintains a registered nurses database, a hospital database and a database of positions available. The nurses database contains pertinent information regarding the nurses, including their skills, training and certification and the database allows medical facilities to better locate nurses with the particular skills necessary to fill their short-term needs.

Nurses seeking to contract with CMSI and wishing to be added to the database must complete an RN Curriculum Vitae Form ("CV form"), which collects information regarding the nurses' areas of training, work experience, availability, licensing and certification.

In 1997 and 2000, Thomas and Cherry designed two CV forms and granted CMSI the right to use them. CMSI used the forms as applications for prospective "travel nurses."

The CV forms utilize a unique layout and design. Whereas most nursing application forms are four or five pages in length, the CV forms are compact, two-page documents. Thomas and Cherry took great pains to streamline the CV forms because they believed that a more compact, easier to complete application form would appeal to nurses and give CMSI a competitive advantage in its recruiting activities.

The CV forms were also an integral part of CMSI's website, which provided potential applicants with a wide variety of information regarding the advantages of contracting with CMSI. The website provided copies of the CV forms available to potential applicants as PDF files.

Not only were the CV forms easier to complete than the forms utilized by CMSI's competitors, the CV forms also sought information that most competitors would not have sought until after hiring an individual. Thus, rather than collecting essential

information from applicants in bits and pieces, the CV forms "front-loaded" the application process, ensuring that nurses applying for work with CMSI would only have to complete a single, two-page form rather than a four or five page application form followed by additional paperwork. This streamlined application process became a part of CMSI's procedural identity, and Thomas and Cherry obtained Certificates of Registration for both forms from the United States Copyright Office.

Appellee and Respondent, Travel Nurse International, Inc. ("TNI") allegedly infringed upon CMSI's copyright by copying the 1997 CV form, verbatim (including typographical errors), placing its own logo on the form in place of the CMSI logo and by copying the 2000 CV form shortly after CMSI placed the revised form on its website.

On March 15, 2001, CMSI filed case number CIV F 01-5317 REC (SMS) against TNI in the Fresno Division of the United States District Court for the Eastern District of California. CMSI filed a First Amended Complaint on April 30, 2001, alleging causes of action for Copyright Infringement under 17 U.S.C. § 502, *et seq.*, Unfair Competition under California Business & Professions Code § 17200, *et seq.* and California common law and sought the imposition of a Constructive Trust.[1] On May 17, 2001, TNI filed its Answer.

TNI filed a Motion for Summary Judgment or Partial Summary Judgment on April 5, 2002. CMSI filed its Opposition on June 5, 2002, and on July 1, 2002, TNI filed its Reply.

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1. District Courts have original jurisdiction as to claims arising under federal laws related to copyright claims. 28 U.S.C. §§ 1338(a) & (b); *see Rano v. Sipa Press, Inc.* 897 F.2d 580, 584 (9th Cir. 1993.)

The District Court heard oral argument on the motion on July 8, 2002. At the outset of the hearing, the court stated that TNI appeared to have copied the CV forms (with the exception of the CMSI logo) and that the primary issue before the court was whether the CV forms contained the requisite level of creativity to warrant copyright protection. TNI did not dispute this. The court then discussed the "blank form rule" set forth in *Bibbero Systems, Inc. v. Colwell Systems, Inc.*, 893 F.2d 1104 (9th Cir. 1990), and asked the parties to address whether this rule precluded the CV forms from gaining protection as a compilation. The District Court requested that the parties file supplemental briefing.

CMSI filed its Supplemental Brief on July 11, 2002, and TNI filed its Supplemental Brief on July 16, 2002. On August 27, 2002, the District Court entered an Order granting TNI's Motion for Summary Judgment regarding CMSI's First Cause of Action for Copyright Infringement and declining to retain jurisdiction over the remaining state law causes of action in CMSI's First Amended Complaint.

In granting the motion, the District Court explained that in *Bibbero Systems, Inc. v. Colwell Systems, Inc.*, 893 F.2d 1104 (9th Cir. 1990), the court found that the billing forms were not subject to copyright protection because "the mere selection of some information to be put on the form did not constitute a conveyance of information (i.e., an expression that the information desired was important) sufficient to bring the document outside of the blank form rule." (Appendix B, p. 19a) The District Court described *Bibbero* as having "expressly adopted a 'bright-line' approach to the blank forms rule that precluded swallowing the rule by finding that the selection of information to be requested was conveying information." (Appendix B, p. 19a) The Judgment was entered on August 30, 2002.

CMSI filed a Notice of Appeal with the Ninth Circuit Court of Appeals on September 19, 2002. CMSI filed its Appellants' Brief on December 16, 2002. TNI filed its Appellee's Brief on February 12, 2003, and CMSI filed its Reply on March 4, 2003.

The Ninth Circuit heard oral argument on December 3, 2003. On December 24, 2003, the Ninth Circuit issued a Memorandum affirming the District Court's Judgment based on the authority set forth in *Bibbero*.

REASONS FOR GRANTING THE PETITION

This petition concerns the application of the "blank forms rule" first set forth in *Baker v. Selden*, 101 U.S. 99 (1982), and subsequently codified in 37 C.F.R. § 202.1(c). Specifically, this petition raises the question of whether a "blank form" may be granted copyright protection as a compilation, based on the form's arrangement of questions and selection of categories of information requested. There are clearly compelling reasons to grant this petition since this case involves: (1) a conflict of Appellate decisions; (2) an important question of federal law; and (3) an important question of law that conflicts with the decisions of this Court. *See* Sup. Ct. R. 10.

The heart of the controversy revolves around the decision in *Bibbero Systems, Inc. v. Colwell Systems, Inc.* 893 F.2d 1104 (9th Cir. 1990). In *Bibbero*, the Court concluded that blank forms are not copyrightable as compilations, regardless of the form's arrangement of questions and selection of information requested, following what the Court described as the "bright-line" approach to blank forms adopted by the Eleventh Circuit

Court of Appeal in *John H. Harland Co. v. Clarke Checks, Inc.*[2] *Bibbero*, 893 F.2d at 1107. The *Bibbero* court held that, "[a]ll forms seek only certain information, and by their selection, convey that the information sought is important. This cannot be what the Copyright Office intended by the statement 'convey information' in 37 C.F.R. 202.1(c)." *Id.* at 1107.

This bright-line test was applied here by the District Court and the Ninth Circuit Court of Appeals, despite the fact that post-*Bibbero* decisions of this Court and other Circuit Courts of Appeal clearly conflict with the finding that a bright-line test exists under the law.[3] One Circuit Court of Appeals has openly rejected the *Bibbero* analysis, and *Bibbero* has been soundly criticized by the leading treatise on copyright law. This dispute surrounding *Bibbero*'s bright line test, constitutes the type of conflict and important question of federal law that mandates granting review.

This Court has held that a work need only display a minimal level of creativity to warrant copyright protection. *See Feist Publications v. Rural Telephone Services*, 499 U.S. 340, 345 (1991). In discussing the standard for compilations, the *Feist Publications* Court held that:

> A compiler may settle upon a selection or arrangement that others have used; novelty is not required. Originality requires only that the author make the

---

2. 711 F.2d 966, 971-72 (11th Cir. 1983).

3. Indeed, the bright-line rule set forth in *Bibbero* would even appear to conflict with prior Ninth Circuit authority. *See Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197, 204-05 (9th 1989) (holding that organizers consisting solely of blank forms were copyrightable as compilations).

> selection or arrangement independently (i.e., without copying that selection or arrangement from another work), and that it display some minimal level of creativity. Presumably, *the vast majority of compilations will pass this test*, but not all will. There remains a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually nonexistent.

Id. at 358-59 (emphasis added).

The factors considered in determining whether a compilation meets the *Feist* standard were further outlined in *CCC Information Services, Inc. v. McClean Hunter Market Reports, Inc.*, 44 F.3d 61, 70 (2nd Cir. 1994). As the Second Circuit explained:

> Originality in *selection* . . . will involve the compiler's idea of the utility to the consumer of a limited selection from the particular universe of available data. . . .
>
> In other compilations, the original contribution of the compiler will relate to ideas for the coordination, or arrangement of the data. Such ideas for arrangement are generally designed to serve the consumers' needs, making the data more useful by increasing the ease of access to those data that answer the needs of the targeted customers, or dividing the data in ways that will efficiently serve the needs of more diverse groups of customers.

Id. at 70 (emphasis in original, internal citations omitted). This fact specific test demonstrates that post-*Bibbero*, there is no all inclusive, bright-line test under the law as it pertains to the copyrightability of blank forms.

The Second Circuit Court of Appeals in *Kregos v. Associated Press*, 937 F.2d 700 (2nd Cir. 1991), in applying the three-part compilation test articulated in *Feist Publications*, rejected the Ninth Circuit's view in *Bibbero*. The Court found that the idea of a bright-line test is not well taken. *Id.* at 709. Specifically, the court held that a "blank form" may be entitled to copyright protection as a compilation whenever the information it seeks and the manner in which its questions are arranged is unique and differs from other forms available in the industry. *Id.* at 708-10.

The *Kregos* Court, in criticizing *Bibbero*, found the Ninth Circuit's concern about potentially limitless findings of copyrightability without merit. As the Court explained, the principle that selection of categories of information in a form may be copyrightable "is not limitless, because courts are obliged to determine as to forms, as with all complications of information, whether the author's selection of categories of data to be recorded displays at least minimal creativity." *Id.* at 709. Contrary to *Bibbero*, the Court held that, "all forms need not be denied protection simply because many of them fail to display sufficient creativity." *Id.* at 709.

The *Kregos* court does not stand alone in disclaiming the notion of a bright-line test that would preclude copyrightability as a compilation for *any* blank form. Although not referencing *Bibbero*, the Fifth Circuit Court of Appeals in *Engineering Dynamics Inc. v. Structural Software, Inc.*, 26 F.3d 1335 (5th Cir. 1994), followed the holding in *Feist Publications*, and concluded that the selection of data and a particular arrangement of that information that is unique and original is protected by copyright law. *Id.* at 1346. *See Publications Intern., Ltd. v. Meredith Corp.*, 88 F.3d 473, 479-80 (7th Cir. 1996).

Federal District Courts have similarly rejected the *Bibbero* conclusion that no blank forms are copyrightable.

In *Financial Control Associates, Inc. v. Equity Builders, Inc.*, 799 F. Supp. 1103 (D. Kansas 1992), the court, after noting the *Bibbero* finding that blank forms are not subject to copyright protection, held that "a writing that does contain a selection of categories of information worth recording, sufficiently original and creative to deserve a copyright as a compilation of facts, cannot lose that protection simply because the work also contains blank space for recording information." *Id.* at 1117; *see also Skinder-Strauss Assoc. v. Massachusetts Continuing Legal Edu., Inc.*, 914 F. Supp. 665, 674, 677 (D. Mass. 1995) (applying the *Feist* factors to determine whether blank forms contained within a "Lawyers Diary and Manual" were copyrightable).

Moreover, the leading treatise on copyright law, *Nimmer on Copyright*, has also criticized the "bright-line" test of the *Bibbero* court as overly restrictive. As explained therein:

> *Bibbero* does not conform to copyright principles protecting original expression. . . . [P]roperly construed, the blank form rule should not be construed as an automatic rule of exclusion; it simply recognizes that many forms composed solely of lines, column headings, and divisions do not contain any protectable expression.
>
> Given that the same court that handed down *Bibbero* recognizes a catalog of radiator parts, for instance, as a copyrightable work, a listing of diagnoses and treatments in an order of the author's choosing should be similarly subject to protection. If the subject catalog of radiator parts were reprinted with a column on the left-hand side for a mechanic to tick off a check mark when placing an order, it is difficult to imagine why that addition would render the entire product

> uncopyrightable. Yet that conclusion would seem to flow from this suspect superbill ruling.
>
> Indeed, that result is made explicit in the court's disposition of plaintiff's claim that its superbill is protectable as a compilation. It would seem that the selection and arrangement of treatments and diagnoses qualifies the superbill, in the words of the statute, as "a work formed by the collection and assembling of pre-existing materials or of data that are selected, coordinated, or arranged. . . ." Nonetheless, the court rejected that claim: "Here, however the superbill consists in its entirety of one uncopyrightable blank form and hence cannot be copyrightable as a compilation." That analysis, *i.e.*, that the superbill is not copyrightable because it is an uncopyrightable work, seems to beg the question. . . .

1 *Nimmer on Copyright* § 2.08[D][1][b] at 2-115 through 2-116 (internal footnotes omitted.). *See also* 1 *Nimmer on Copyright* § 2.18 [C][1] at 2-201 (1990) ("[B]ooks intended to record the events of baby's first year, or a record of a European trip, or any one of a number of other subjects, may evince considerable originality in suggestions of specific items of information which are to be obtained, and in the arrangement of such items.")

There is a clear disagreement between the circuits of the federal courts regarding whether the selection of questions and the arranging of information sought on a blank form can qualify for copyright protection as a compilation. Since *Bibbero*, the Ninth Circuit Court of Appeals has maintained that such copyright protection is not possible. This Court and other Circuit Courts have concluded that for compilations, the

unique arrangement of questions and information sought can receive copyright protection, even if it is a blank form. This Court needs to resolve not only this conflict among the circuit courts, but this very important question of federal law.

CONCLUSION

CMSI's CV forms represent a revolutionary and unique manner of collecting information from nurse applicants. These forms were so successful that TNI copied the forms, verbatim, for use in its own application process. Further, the United States Copyright Office clearly thought that the CV forms were sufficiently unique and creative to warrant copyright protection, as it issued Certificates of Registration for both forms as compilations.

Had the CV forms been copied by a competitor within the jurisdiction of the Second Circuit or the Fifth Circuit Court of Appeals, it is likely the forms would have been found copyrightable, as opposed to being rejected due to a bright-line test as to blank forms. There is a clear and demonstrable disagreement among the federal circuits regarding this issue. The standards in determining copyright protection regarding blank forms as a compilation should not vary from Circuit to Circuit. The Court should therefore, grant this petition.

Respectfully submitted,

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APPENDIX

APPENDIX A — MEMORANDUM OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT FILED DECEMBER 24, 2003

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

No. 02-16874

D.C. No. CV-01-05317-SMS

CONTRACT MANAGEMENT SERVICES, INC., a Texas corporation; KATHLEEN THOMAS, an individual; WILLIAM T. CHERRY, III, an individual,

Plaintiffs - Appellants,

v.

TRAVEL NURSES INTERNATIONAL, INC., a California corporation,

Defendant - Appellee.

MEMORANDUM*

Appeal from the United States District Court for the Eastern District of California
Sandra M. Snyder, Magistrate, Presiding

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* This disposition is not appropriate for publication and may not be cited to or by the courts of this circuit except as provided by Ninth Circuit Rule 36-3.

Appendix A

Argued and Submitted December 3, 2003
San Francisco, California

Before: SCHROEDER,, Chief Judge, D.W. NELSON, and RYMER, Circuit Judges.

Contract Management Services, Inc. and its officers appeal the grant of summary judgment against them in their copyright infringement action against Travel Nurses International, Inc. The parties consented to the jurisdiction of the magistrate judge, who correctly held that the job application forms in question were blank forms and therefore not entitled to copyright protection. The case is controlled by our decision in *Bibbero Systems, Inc. v. Colwell Systems, Inc.*, 893 F.2d 1104 (9th Cir. 1990).

AFFIRMED.

APPENDIX B — ORDERS OF THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF CALIFORNIA DATED AND FILED AUGUST 27, 2002

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

CV F 01-5317 SMS

CONTRACT MANAGEMENT SERVICES, INC., et al.,

Plaintiffs,

v.

TRAVEL NURSE INTERNATIONAL, INC.,

Defendant.

ORDER RE: DEFENDANT'S MOTION FOR SUMMARY JUDGMENT OR PARTIAL MOTION FOR SUMMARY JUDGMENT (DOC. 53)

ORDER RE: DEFENDANT'S MOTION TO STAY DISCOVERY (DOCS. 54, 34)

The Defendant's motion for summary judgment or partial summary judgment, construed as a motion for summary adjudication, and motion to stay discovery were heard on July 8, 2002, at 2:30 p.m. in Courtroom 4 before the Honorable Sandra M. Snyder, United States Magistrate Judge. Kurt F. Vote of McCormick, Barstow, Sheppard, Wayte & Carruth appeared on behalf of Plaintiffs; David H. S. Commins appeared on behalf of Defendant.

Appendix B

Defendant's amended notice of motion for summary judgment or partial summary judgment identified three grounds for the motion: 1) the portion of Plaintiffs' job application form that was allegedly copied by Defendant does not warrant copyright protection because it lacks sufficient creativity or originality, to support a valid copyright; 2) Plaintiffs' unfair competition claims under California Business and Professions Code § 17200 and California common law are preempted by the Federal Copyright Act; and 3) Plaintiffs are not entitled to damages measured by Defendant's profits from nurses who worked for Defendant after submitting to it allegedly infringing job applications. After argument and supplemental briefing, the portion of the summary judgment motion relating to whether Plaintiffs' application form was subject to copyright protection was submitted to the Court; the Court informed the parties at the hearing that further argument would be scheduled on the issue of profits or damages if the question of copyright protection for the application form were resolved in Plaintiff's favor. Discovery of profits and damages was stayed pending the Court's ruling on the motion; it was determined that if the Court's ruling on the summary judgment motion did not render the issue moot, then the parties would come before the Court to discuss the completion of the limited discovery remaining in the case.

I. *Procedural Summary*

The parties have consented to the jurisdiction of the Magistrate Judge pursuant to 28 U.S.C. § 636(c)(1), and the case has been assigned to the Magistrate Judge to conduct all further proceedings, including trial and the entry of a final judgment.

Appendix B

Plaintiffs filed a complaint on March 15, 2001, and a first amended complaint on April 30, 2001; Defendant answered on May 18, 2001. On April 5, 2002, Defendant filed a notice of motion and a motion styled as a motion for summary judgment or for partial summary judgment with a separate statement of undisputed facts and supporting declarations (Lesley King, David H. S. Commins, Diana Palacio, and Gary Fanger) and a memorandum of points and authorities. On June 5, 2002, Plaintiffs filed in opposition a response with a separate statement of undisputed facts and the declaration of Kathleen Thomas. Defendant filed a reply memorandum on July 1, 2002. An amended notice of the motion, setting the hearing for July 8, 2002, was filed on June 10, 2002. Post-hearing supplemental briefs were filed by Plaintiffs on July 11, 2002, and by Defendant on July 16, 2002; unsolicited letter briefs regarding the recent decision of *Mackie v. Wieser*, 296 F.3d 909 (9th Cir. 2002) in connection with profits and damages were filed after receipt from Defendant on August 12, 2002, and Plaintiff on August 14, 2002. The Court has considered all the relevant pleadings and all the documents submitted by the parties in connection with the motion.

II. *The Pleadings*

According to the unverified first amended complaint (FAC), the Plaintiffs are Contract Management Services, Inc., a Texas Corporation (CMSI); Kathleen Thomas, the president of CMSI and a member of the Board of Directors and a resident of Texas; and William T. Cherry, Vice President of CMSI, a member of the Board, and a resident of Texas. Defendant is Travel Nurse International, Inc. (TNI), a

California Corporation. It is alleged that CMSI operates a nurses's registry through which it provides nurses to facilities needing nurses for a limited time and thereby employs nurses who have completed their application form. The applications are distributed and appeared on CMSI's internet web site. A prior version that was entitled "RN Curriculum Vitae" that CMSI began using in 1997 appears as Exhibit A to the FAC. A later version that was updated in August 2000 appears as Exhibit B. Plaintiffs allege that Defendant used and posted on TNI's internet website an employment application substantially identical to Plaintiffs' application as evidenced by format, text, and typographical errors. Defendant's application appears as Exhibit C to the FAC. Plaintiffs allege that their counsel telephoned and wrote to Defendant's counsel on October 19, 2000, explaining their position and notifying Defendant of their intent to file suit. Plaintiffs allege that on November 29, 2000, Plaintiffs paid fees and filed applications with the United States Copyright Office with respect to both the 1997 and 2000 application forms, receiving certificates of registration to Plaintiff Kathleen Thomas bearing effective dates of November 30, 2000, which appear as Exhibits D and E to the FAC. The complaint alleges that Defendant failed to comply with Plaintiffs' demands and has thereby willfully infringed on Plaintiffs' rights.

The first amended complaint alleges five claims. The first claim is one for copyright infringement pursuant to 17 U.S.C. § 501 for willfully and deliberately infringing the copyright of the application by distributing, reproducing and duplicating the application without authorization. Plaintiffs seek various forms of relief, including damages for injury to business reputation and goodwill, loss of profits, and, in the

alternative, enhanced statutory damages pursuant to 17 U.S.C. § 504(c)(2); injunctive relief because of irreparable injury; an order directing the impoundment and destruction of the infringing employment application; and costs and fees.

The second claim is for unfair competition pursuant to Cal. Bus. and Prof. Code § 17200, alleging that Defendant's use of the application has created a likelihood that applicants will be confused or misled and will believe that Defendant's and Plaintiffs' businesses are the same. The third claim is for common law unfair competition based on the use of the application form with a unique layout that is easily recognized by potential applicants. The fourth claim seeks the imposition of a constructive trust upon the illegal profits of the Defendant gained from passing off in commerce the name and employment application as its own; it is alleged that the profits will eventually be traced but that Plaintiffs are unaware of where the profits are now. The fifth claim is for an accounting of the quantity of business misappropriated by Defendant and of the employment applications downloaded by or otherwise distributed to Defendant's former, current and future clients and applicants- and the public.

In the answer filed on May 18, 2001, Defendant admits that Exhibit C to the complaint is a version of Defendant's application; Defendant admits using an application that was similar to Plaintiff's but denies that it was substantially identical. Defendant denies that it made Plaintiff's application available to Defendant's nurse applicants on its internet web site. It denies that it failed to comply with Plaintiffs' demands but admits that it had and has access to Plaintiffs' application

through the Internet and other avenues. Defendant denies wilful infringement or Plaintiff's entitlement to any damages or other relief. Defendant denies or lacks sufficient information to respond to the other material allegations. Defendant asserts various defenses, including lack of copyright protection, lack of actual damages or profits attributable to the distribution of the application, and innocent intent. Defendant seeks judgment, costs and attorney's fees.

III. *Undisputed Facts*

The parties agree on the authenticity of the documents purporting to be the parties' respective application forms. Defendant appears to admit that it used an application that was similar to Plaintiffs' from August 1999 to April 2001, when it removed it from its website (Def.'s Sep. St. at 2, Def.'s Memo. at 3, 11. 8-9, Decl. of King at 1, par. 4), but Defendant does not admit that the form it used was substantially identical as Plaintiffs allege. The precise extent of the use is also in dispute because Defendant denies that it made the application available to its nurse applicants on its internet web site. The facts regarding whether the application form was distributed free of charge are disputed.

IV. *Summary Judgment Standards*

Summary judgment is appropriate when it is demonstrated that there exists no genuine issue as to any material fact, and that the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). Under summary judgment practice, the moving party

> [A]lways bears the initial responsibility of informing the district court of the basis for its

> motion, and identifying those portions of "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any," which it believes demonstrate the absence of a genuine issue of material fact.

Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986). It is the moving party's burden to establish that there exists no genuine issue of material fact and that the moving party is entitled to judgment as a matter of law. *British Airways Board v. Boeing Co.*, 585 F.2d 946, 951 (9th Cir. 1978) .

However, "where the nonmoving party will bear the burden of proof at trial on a dispositive issue, a summary judgment motion may properly be made in reliance solely on the pleadings, depositions, answers to interrogatories, and admissions on file." *Celotex Corp. v. Catrett*, 477 U.S. 317, 323. Indeed, summary judgment should be entered, after adequate time for discovery and upon motion, against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial. Id. "[A] complete failure of proof concerning an essential element of the nonmoving party's case necessarily renders all other facts immaterial." *Id.* In such a circumstance, summary judgment should be granted, "so long as whatever is before the district court demonstrates that the standard for entry of summary judgment, as set forth in Rule 56(c), is satisfied." *Id.* at 323.

If the moving party meets its initial responsibility, the burden then shifts to the opposing party to establish that a

genuine issue as to any material fact actually does exist. *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986). In attempting to establish the existence of this factual dispute, the opposing party may not rely upon the denials of its pleadings, but is required to tender evidence of specific facts in the form of affidavits or admissible discovery material in support of its contention that the dispute exists. Rule 56(e); *Matsushita*, 475 U.S. at 586 n.11. The opposing party must demonstrate that the fact in contention is material, i.e., a fact that might affect the outcome of the suit under the governing law, *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986): *T.W. Elec. Serv., Inc. v. Pacific Elec. Contractors Ass'n*, 809 F.2d 626, 630 (9th Cir. 1987), and that the dispute is genuine, i.e., the evidence is such that a reasonable jury could return a verdict for the nonmoving party, *Wool v. Tandem Computers, Inc.*, 818 F.2d 1433, 1436 (9th Cir. 1987).

In the endeavor to establish the existence of a factual dispute, the opposing party need not establish a material issue of fact conclusively in its favor. It is sufficient that "the claimed factual dispute be shown to require a jury or judge to resolve the parties' differing versions of the truth at trial." *T.W. Elec. Serv.*, 809 F.2d at 630. Thus, the "purpose of summary judgment is to 'pierce the pleadings and to assess the proof in order to see whether there is a genuine need for trial.'" *Matsushita*, 475 U.S. at 587 (quoting Fed. R. Civ. P. 56(e) advisory committee's note on 1963 amendments). The evidence of the opposing party is to be believed, *Anderson*, 477 U.S. at 255, and all reasonable inferences that may be drawn from the facts placed before the court must be drawn in favor of the opposing party, *Matsushita*, 475 U.S.

at 587 (citing *United States v. Diebold, Inc.*, 369 U.S. 654, 655 (1962) (per curiam). Nevertheless, it is the opposing party's obligation to produce a factual predicate from which an inference may be drawn. *Richards v. Nielsen Freight Lines*, 602 F. Supp. 1224, 1244-45 (E.D. Cal. 1985), *aff'd*, 810 F.2d 898, 902 (9th Cir. 1987). Although the Court must not weigh the evidence, the Court must draw reasonable inferences; evidence that is too insubstantial or speculative may be insufficient to establish the existence of a genuine issue of material fact. *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1255 (9th Cir. 1982) (holding alternatively that in the face of a presumption that "Coke" was a trademark that was not generic, employees' affidavits that they believed that customers used "Coke" in a generic sense were too speculative and insubstantial to establish the existence of a material fact regarding whether "Coke" was generic, and citing *British Airways Board v. Boeing Co.*, 585 F.2d 946, 951-52 (9th Cir. 1978) (holding that where the moving party had presented evidence that a crack in a part was unrelated to the cause of an airplane crash, no evidence that would permit an inference giving rise to a genuine issue of material fact was presented where the opposing party submitted evidence that a crack could lead to a catastrophic accident and a conclusion by an investigating agency that it could not be determined if the part of the airplane affected by the crack had been the first portion of the plane to disintegrate)); *Dept. of Commerce v. U.S. House of Rep.*, 525 U.S. 316, 334 (1999) (holding that experts' generalized assertions about the insufficiency of an opposing expert's methodology were insufficient to create a genuine issue of material fact). To demonstrate a genuine issue, the opposing party "must do more than simply show that there is some metaphysical

doubt as to the material facts." *Matsushita*, 475 U.S. at 586. Where the record taken as a whole could not lead a rational trier of fact to find for the nonmoving party, there is no genuine issue for trial. *Id.* at 587.

The showings must consist of admissible evidence, *Hollingsworth Solderless Terminal Co. v. Turley*, 622 F.2d 1324, 1335 n.9 (9th Cir. 1980), or pleadings, depositions, answers to interrogatories, admissions, and affidavits or declarations, Fed. R. Civ. P. 56(c).

A party moving for summary judgment is entitled to the benefit of any relevant presumptions that support the motion provided that the facts giving rise to the presumption are undisputed. *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1254 (9th Cir. 1982).

V. *Whether the Application Form Is Entitled to Copyright Protection*

Defendant argues that because of its nature, Plaintiffs' application form lacks sufficient creativity or originality to support a copyright. Defendant asserts that it should be considered to be essentially a blank form. Plaintiffs contend that the application form is not a blank form, and that it contains elements of originality that are protected.

A. *Legal Standards*

To establish infringement of copyright, the Plaintiff must prove two elements: 1) ownership of a valid copyright, and 2) copying of constituent elements of a work that are original.

Feist Publications v. Rural Tel. Service, 499 U.S. 340, 361 (1991). For purposes of the present case, ownership involves both originality in the author and a showing that the subject matter is subject to copyright. *Advanz Behavioral Management Resources, Inc.*, 21 F.Supp.2d 1179, 1182 (C.D. CA 1998) (quoting 4 Nimmer on Copyright § 1301(A) (1997)). Thus, it is Plaintiffs' burden to prove the existence of facts of originality, intellectual production, thought, and conception, *Feist Publications v. Rural Tel. Service*, 499 U.S. at 362, and to establish that the subject matter is subject to copyright.

Plaintiffs argue that they have met their burden in part by obtaining a copyright of the forms in question. Title 17 U.S.C. § 410 provides in pertinent part as follows:

> (a) When, after examination, the Register of Copyrights determines that, in accordance with the provisions of this title, the material deposited constitutes copyrightable subject matter and that the other legal and formal requirements of this title have been met, the Register shall register the claim and issue to the applicant a certificate of registration under the seal of the Copyright Office. The certificate shall contain the information given in the application, together with the number and effective date of the registration.
>
> . . . .
>
> (c) In any judicial proceedings the certificate of a registration made before or within five years

> after first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate. The evidentiary weight to be accorded to certificate of a registration made thereafter shall be within the discretion of the court.
>
> (d) The effective date of a copyright registration is the day on which an application, deposit, and fee, which are later determined by the Register of Copyrights or by a court of competent jurisdiction to be acceptable for registration, have all been received in the Copyright Office.

Section 410 creates a rebuttable presumption that shifts the burden to the defendant to demonstrate why the copyright is not valid. *Bibbero Systems, Inc. v. Colwell Systems, Inc.*, 893 F.2d 1104, 1106 (9th Cir. 1990), *amended, reh'g denied.*

Plaintiffs obtained a copyright for the application form. The parties do not dispute that the copyright was registered, and therefore the Plaintiffs have established facts that bring into operation the rebuttable presumption that the form was subject to copyright. Nevertheless, the fact of copyright registration does not confer protection over every element of a work; rather, copyright protection extends only to those components of a work that are original to the author. *Feist*, 499 U.S. at 348.

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Questions of originality are governed by the Copyright Act of 1976, effective January 1, 1978, Act of Oct. 19, 1976, Pub. L. 94-553, 90 Stat. 2541, codified commencing at 17 U.S.C. § 101. Title 17 U.S.C. § 102 provides as follows:

> (a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
>
> (1) literary works;
>
> (2) musical works, including any accompanying words;
>
> (3) dramatic works, including any accompanying music;
>
> (4) pantomimes and choreographic works;
>
> (5) pictorial, graphic, and sculptural works;
>
> (6) motion pictures and other audiovisual works;
>
> (7) sound recordings; and
>
> (8) architectural works.
>
> (b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation,

> concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

Originality, both a Constitutional and statutory requirement, generally means that a work owes its origin to the author in the sense that it is independently created and not copied from other works; novelty is not required. *Feist Publications v. Rural Tel. Service*, 499 U.S. 340, 345, 347; *Roth Greeting Cards v. United Card Co.*, 429 1106, 1109 (9th Cir. 1970). A work must possess at least some minimal degree of creativity; however, a slight amount or an extremely low level is sufficient. *Feist Publications v. Rural Tel. Service*, 499 U.S. at 345 (holding that the names, towns and telephone numbers of telephone subscribers were uncopyrightable facts, and that the pieces of information that appeared in alphabetical order of surname were not selected, coordinated, or arranged in an original way in the white pages of the directory). Original works are the fruits of intellectual labor. *Id.* at 346-47 (discussing *The Trade-Mark Cases*, 100 U.S. 82 (1879) and *Burrow-Giles Lithographic Co. v. Sarong*, 111 U.S. 53 (1884) as defining an author as an originator or maker of something). The telephone listings in *Feist* were not sufficiently original because the names, towns and numbers copied were not original data or expression where the arrangement was alphabetical by surname and therefore "entirely typical" or "garden-variety"; and the selection was simply a listing of all subscribers (which, in what was arguably *dicta*, was noted to be required by law) which was useful but yet insufficient to demonstrate a modicum of creativity. *Id.* at 361-63.

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With respect to blank forms, regulatory law first adopted under the earlier 1909 Act excluded from the subjects of copyright the following:

> Works designed for recording information which do not in themselves convey information, such as time cards, graph paper, account books, diaries, bank checks, score cards, address books, report forms, order forms and the like.

37 C.F.R. § 292.1(c) (1959). Decisions in the Ninth Circuit have recognized and deferred to this ruling. However, the cases have recognized that this provision did not preclude copyright of all such documents; copyright was still appropriate for documents such as blanks, charts or other compilations that in themselves conveyed information. *Cash Dividend Corp. v. Davis*, 247 F.2d 458, 460 (9th Cir. 1957) (holding subject to copyright a document consisting of integrated parts, with a check form attached to text describing the author's related system of carrying out a stamp plan whereby holders of savings stamps could convert them into cash by treating the writing as an ordinary bank check once a specified number of stamps were affixed thereto); *Edwin K. Williams & Co., Inc. v. Edwin K Williams & Co.-East*, 542 F.2d 1053, 1060 (9th Cir. 1976) (*Williams*) (upholding infringement of copyright of account books that were accompanied by several pages of instructions on how to fill out the forms and how to run the business (such as advice on how to determine overhead and set profit margin goals) that preceded and followed thirty-one pages of blank forms representing each day of the month that the dealer was to fill in with information from the day's transactions, reasoning

that the instructions and forms were an integrated work entitled to copyright protection) *cert. denied*, 433 U.S. 908 (1977).

A similar interpretation of the law has followed the Copyright Office's decision in 1980 not to modify the regulation, *Bibbero*, 893 F.2d at 1107. *See e.g., Harper House. Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197 (9th Cir. 1989) (holding that personal organizers were entitled to limited copyright protection [with respect to the text of any instructions and the selection, coordination and arrangement of the material set forth] as compilations consisting largely of uncopyrightable elements where the documents contained not only blank forms and unprotected utilitarian and public information, but also contained categories and formats that suggested ways in which information should be stored and analyzed).

Within this legal context, the case that controls the instant controversy is *Bibbero Systems. Inc. v. Colwell Systems, Inc.*, 893 F.2d 1109 (1990), in which the court concluded that a medical insurance billing form was not subject to copyright despite a copyright registration. The form had different versions for each medical specialty and was used by doctors to obtain reimbursement from insurance companies. It contained simple instructions to the patient for filing insurance claims, boxes for patient information, simple clauses assigning insurance benefits to the doctor and authorizing release of information, and two lengthy checklists for the doctor to indicate the diagnosis, any services performed, and the fee. All the categories in the checklists and the code numbers accompanying the various entries were

specified by the American Medical Association or government publications. The court reasoned that the mere selection of some information to be put on the form did not constitute a conveyance of information (i.e., an expression that the information desired was important) sufficient to bring the document outside of the blank forms rule. It determined that the "text with forms" exception to the blank forms rule was inapplicable because the instructions to complete, sign, date, and mail the form to the insurer were far too simple to be subject to copyright as text in and of themselves, unlike the instructions in *Williams*, 542 F.2d 1053. Further, the court concluded that the document was not subject to copyright as a compilation pursuant to 17 U.S.C. § 101 because 1) it fell within the blank forms rule and thus did not constitute an original work of authorship, and 2) the form was not a compilation of common property and blank forms, but rather one uncopyrightable blank form.

In *Bibbero*, the court expressly adopted a "bright-line" approach to the blank forms rule that precluded swallowing the rule by finding that the selection of information to be requested was conveying information. Further, the Court noted the Copyright Office's reaffirmance of *Baker v. Selden*, 101 U.S. 99 (1879), in which the Court had reversed a finding of infringement of a copyright of books that explained a system of accounting and included peculiarly arranged ledger forms. In *Baker* the Court concluded that protection of a right to a particular method of bookkeeping had to occur by way of patent law; without a patent, the illustrations or ledger forms; characterized as necessary incidents to the art or method (i.e., things which necessarily must be used as an incident to the art), could not be protected. Because the

method or art being taught could not be used without employing the methods and diagrams used to illustrate the system, the forms or ledgers were considered necessary incidents to the art that were offered not for explanation, but for the purpose of practical application. The Court in *Baker* concluded that blank account books were not the subject of copyright and that the mere copyright of the book on the method did not confer on the author the exclusive right to make and use account books ruled and arranged as described and illustrated in the book. *Baker*, 101 U.S. at 107.

B. *Summary of Facts regarding the Application Forms*

Proof submitted by Plaintiffs in addition to the applications themselves and the registration certificates includes assertions in Plaintiff Thomas's declaration that she and Plaintiff Cherry configured and designed the following on both versions of the form: the order and sequence of the questions; the topical arrangement of the questions; the graphics used to arrange the information; a format which allowed the reduction of a multi-page document to a two-page document without loss of data, thereby increasing ease of use; and the phraseology or vernacular used to ask the questions, give instructions on how to complete the form, give general advice and recommendations on the application process as a whole, and set forth the release and "hold harmless" language appearing on the face of the form. These assertions of fact are not disputed. However, the question to be decided is, assuming that Plaintiffs did create the form, whether the application form itself, or some portion thereof, is subject to copyright protection.

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In support of the motion, Defendant submitted copies of application forms, authenticated by Lesley King, Defendant's corporate secretary, that were used by competing companies August 1999 through April 2001; the period when King admitted Defendant's use of the allegedly infringing form. The Court notes Plaintiffs' objections to the evidentiary use of the table that Defendant submitted in connection with the forms, but the Court denies the objections, as moot because the Court has not considered the table itself, but has considered only the application forms themselves. The Court finds the other companies' application forms relevant to show what common sense would also indicate, namely, what general types of information are recorded on nurse application forms.

Plaintiff's first form, bearing a date of 1997, is a twopage document entitled "RN Curriculum Vitae" that bears the Plaintiffs' logo "CMSI The Travel Nurse Company" at the top. There is a space for listing the name and telephone of the source of the referral to CMSI. The top of the first page consists largely of blanks with related prompts for basic identifying information (name, date of birth, social security number, citizenship) and information about addresses, telephones, and contacts. Prompts request two personal references not related to the applicant who have known the applicant at least two years.

Next come blanks for information about the applicant's availability and shift preferences, and eight boxed blanks for listing clinical areas of practice and years of experience in each; the applicant is instructed that there must be a minimum of one year's current experience in the clinical areas

submitted. Queries about the nature of the applicant's transportation and whether the applicant has-previously worked as a travel nurse follow; the applicant is instructed to give details of any unsuccessful travel assignments on a separate sheet with the name and telephone of an official who could verify the information.

The first page continues with a box of blanks for information about education (date of passage of state boards, identification of the state, and school name, location, degree conferred, and date of graduation); the applicant is instructed to include graduate hours. Boxes for information on R.N. licenses follow, in which the applicant is instructed to list the original license first, and then all others; blanks follow for listing the state, number, and expiration date for six licenses. A similar box for certifications is next to the education section. The applicant is asked about disciplinary actions and investigations and eligibility for rehire at previous and current RN positions; the applicant is instructed to explain or give details on a separate sheet.

Next on the page is a box for information regarding "personal professional references" for the past three years with instructions to list a supervisory nurse with direct personal knowledge of the applicant's professional skills, and a direction to contact the references to make certain they are willing to provide personal references for the applicant. Blanks follow for name, telephone, FAX, hospital, dates worked, and unit specification. Prompts and blanks for the malpractice insurance policy number, company, and policy expiration date follow, with a direction to enclose a copy of the policy.

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The remainder of the page before the signature line, addresses (including website), and telephone numbers of Plaintiffs' company consists of blanks for information about health (condition of health, including weight, height, date of last physical exam); any application for or receipt of workers' compensation; any rejection for life, accident or health insurance; incidence of back injury, hernia, emotional or psychological illness, alcoholism, drug addiction, any chronic illness or disability (with directions to explain on a separate sheet and to be ready to provide a copy of a physician's release to return to work or statement of ability to perform); and a listing of all medications and accompanying explanations. The signature line is preceded by a certification that the applicant is free from infectious or contagious diseases, drugs and/or alcohol, and is able without limitation to practice and perform all duties of a registered nurse.

The second page consists of an employment history, beginning with directions to list all employment from the time the applicant passed state boards and was licensed until the time of the application, explain problems on a separate sheet, identify the agency through which any travel positions were worked, explain all breaks in employment, and provide verification information. These instructions are followed by a series of sets of blanks separated by bold horizontal lines; prompts request dates of employment, agency identification, telephone numbers, facility, city, state, position, unit name, number of beds, shift, nurse-to-patient ratio, charge experience, supervisor, telephone and eligibility for rehire. A space for explaining any breaks follows. The information is followed by a certification that the statements made were true and complete to the best of the applicant's knowledge,

and that the applicant understands that falsification would be the basis of disqualification or termination of contract and report to the State Boards. There follows a release of information directed to physicians, nurses, and their contractors or agents of all information regarding the applicant's performance, conduct, and condition of health; an agreement to hold them harmless from liability except with respect to wilful falsification of data; an authorization to retain the information in a quality assurance data base for quality assurance activities; and a statement that the applicant understands that refusal by any party to provide said information may result in denial of a professional position.

The second form, dated 2000, is similar to the first. Changes to the first page include directions to append a privacy page for placement of sensitive data concerning unsuccessful travel nurse assignments, professional discipline or investigations, eligibility for rehire at previous positions, and medications and explanations thereof, which were not to be put into the computer base. The later form omits information about workers' compensation, insurance, and specific injuries and illnesses and the certification by the applicant regarding freedom from infectious or contagious diseases, drugs, and alcohol. Added is a certification that if the applicant was previously impaired, the applicant was licensable without limitation, had successfully completed an approved program, and had been released by the state board.

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C. *Analysis*

The forms submitted as exhibits to the complaint are clearly intended to be used by applicants for applying for positions. Much of the application is blanks that are to be filled with information. The portion of the application consisting of the blanks would not be subject to copyright protection pursuant to 37 C.F.R. § 292.1(c). Likewise, the words, short phrases, or clauses constituting the prompts would appear to be not subject to copyright pursuant to the blank forms rule.

Plaintiffs argue that the form is taken outside the blank forms rule because the form itself contains text having explanatory force. In *Bibbero*, the court recognized that where a work consists of text integrated with blank forms, the forms have explanatory force because of the accompanying copyrightable textual material; the court cited three cases: *Williams*, 542 F.2d 1053, 1061 (finding copyrightable forms that were integrated with several pages of instructions on how to run a business, including advice on determining overhead and setting profit margin goals); *Continental Casualty Co. v. Beardsley*, 253 F.2d 702, 704 (2d Cir. 1958) (finding copyrightable a six-page pamphlet comprised of forms [a proposed bond, an affidavit of loss and indemnity agreement, and drafts of an instruction letter and board resolutions] that were integrated with three introductory pages of narrative about a plan to cover replacement of lost securities that would operate in futuro), *cert. denied*, 358 U.S. 816 (1958); and *Januz Marketing Communications, Inc. v. Doubleday & Co.*, 569 F.Supp. 76 (S.D.N.Y. 1982) (holding not subject to copyright two time management charts that

were separable from textual materials that explained time management techniques and that consisted of time logs with prompts which did not add to or clarify the system that was explained in separate texts). *Bibbero*, 893 F.2d at 110607. The court in *Bibbero* concluded that the exception did not apply to the superbill at issue there because the instructions and admonishments to patients (to complete the upper portion, sign and date the form, mail it directly to the insurance company, attach the patient's own insurance company's form, and an admonishment that attaching the form was not necessary) were far too simple to be copyrightable text in themselves. Apparently the clauses assigning insurance benefits to the doctor and authorizing release of patient information, although not separately discussed, were likewise insufficient to render the blank forms rule inapplicable.

Plaintiffs contend that their form contains complex instructions that are creative and convey information and thus may be distinguished from those in *Bibbero*. The instructions include directions given to the applicant that relate to the type of information sought or the location for entry of information, such as various directions to put sensitive data on a separate page, and the accompanying statement that such data will not be input into the computer; directions to record only clinical areas in which the applicant has a minimum of one year of experience; a suggestion that the applicant might want to list all medications and explanations therefor before starting an assignment, and to inform a contract manager of such a desire; directions to include as references persons who have supervised the applicant in the past three years and to contact them to make certain that they are willing to provide

personal references; and instructions to be prepared to submit certain documentation, such as a physician's release, or to retain lists as a protective measure. These instructions are somewhat more detailed or particularized than the instructions in *Bibbero*, but nevertheless they are relatively simple, relate directly to the method to be followed in completing the application form, and are straightforward and unembellished statements of their contents. They do not differ significantly from *Bibbero*'s direction to mail a form directly to a carrier or the admonishment that the user may attach an insurance company's form if the use desires, although it is not necessary. The instructions are expressive only in the sense that they reflect what information is desired and considered important and what sorts of evaluations are going to be made by CMSI. The data sought are from categories that appear in the competitors' application forms and are the typical sorts of data useful in the job application process, such as personal information, education and licenses, employment history, and references. The instructions do not change the character of the document as an application form designed to be used for recording information. Plaintiffs' contentions in this regard may not meaningfully be distinguished from those rejected by the court in *Bibbero* when it criticized the holding in *Norton Printing Co. v. Augustana Hospital*, 155 U.S.P.Q. 133 (N.D. Ill. 1967) that a test form conveys information because it contains some possible categories of information but not others. Further, to the extent that the instructions indirectly reveal information about the system used by Plaintiffs to place nurses, the system is essentially a functional matter not subject to copyright, as explicated in *Baker v. Selden*. The application form functions as a necessary incident to Plaintiffs' system of operation.

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The Court concludes that the instructions on the application are not sufficiently different from those in the superbill in *Bibbero* to render them legally distinguishable.

The applications also include a release form for information concerning the applicant's performance, conduct and health; a hold-harmless clause regarding release and use of information; an authorization to retain and use information about RN positions; and a representation that the applicant understands that refusal to provide information may result in denial of a professional position. The releases, authorization, and hold-harmless provisions are in the nature of standard clauses found in application forms generally; they are thus similar to the "simple clauses assigning insurance benefits to the doctor and authorizing release of patient information" present in the superbill in *Bibbero*, 893 F.2d at 1105, that were described as "provisions for assignment of claims and release of information," *id.* at 1106. Such provisions were not sufficiently explanatory or expressive to take the superbill in *Bibbero* outside of the blank forms rule. *Id.*, 893 F.2d at 1105. Although it appears that the precise wording of any particular release, authorization, or hold-harmless provision differs from that found on competing companies' forms, none of the wording transcends the general category of simple clauses facilitating the recordation process.

The form here includes information that the falsification of professional documents by omission or false statements is an offense reportable to the state board. This is an expressive statement; however, it relates to the filling out of the form and is a statement of law that is unoriginal public information. *Cf. Feist Publications*, 499 U.S. at 363.

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At the end of the first page in each version of the form is a certification form regarding the applicant's health and ability to practice without limitation. Similarly, at the end of the employment history and before the signature is a statement that the statements made in the form are true and complete to the best of the applicant's knowledge, and that the applicant understands that falsification will be the basis for disqualification or termination of contract. Although these items are declaratory in mood and convey information in the strict sense, they essentially amount to an arrangement of information that is actually sought from an applicant, namely, assertion of the desired physical condition, readiness, or understanding of professional and contractual obligations and consequences. They principally function to obtain desired information from an applicant rather than to convey information to the applicant. In this sense, they actually function as a different type of prompt. Further, they are not materially different from a standard release or assignment clause in terms of complexity or originality.

Plaintiffs point to the number of words on the form and the presence of text as an indicator of the greater creativity displayed in their form than was shown in the superbill at issue in *Bibbero*. However, the Court in *Bibbero* expressly dismissed this approach. *Bibbero*, 893 F.2d at 1107-1108, n. 1. Further, the form does not purport to describe or instruct the applicant on a method of business operation or to convey information on any topic; rather, it seeks to obtain from nurse applicants what common sense would recognize as rather standard categories of data that Plaintiffs need in order to perform their function in their business enterprise. Although effort and choice were certainly involved in the production

of the form, the Court is unable to make principled distinctions between the form before the Court and the superbill in *Bibbero*, which contained instructions for use and documentation, a provision for release of information, and forms for assigning insurance benefits.

The Court thus concludes that pursuant to *Bibbero*, the form itself is not subject to copyright.

Plaintiffs argue that pursuant to *Feist Publications*, the Court should focus on the manner in which the collected facts have been selected, coordinated, and arranged, which Plaintiffs contend evinces creativity in the compilation of facts. Plaintiffs assert that the form is creative and original because Plaintiffs organized the information form. Plaintiffs assert that the look and feel of the form is unique and is sufficient alone to render the form subject to copyright protection. Plaintiffs thus seek to have the Court consider the application form as a compilation of data.

A compilation is defined by 17 U.S.C. § 101 as follows:

> A "compilation" is a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship. The term "compilation" includes collective works.

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In *Bibbero*, the court addressed the contention that the medical "superbill" was copyrightable as a compilation:

> Our holding that the superbill falls within the blank forms rule precludes it from being copyrightable as a compilation. A "compilation" is a work formed by the collection and assembling of preexisting materials or data that are selected, coordinated or arranged in such a way that the work as a whole constitutes an original work of authorship, and may consist entirely of uncopyrightable elements. 17 U.S.C. § 101; *Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197, 204 (9th Cir. 1989). For example, a collection of common property and blank forms, although not individually copyrightable, may be selected, coordinated or arranged in such a way that they are copyrightable as a compilation. *Harper House*, 204-207. Here, however, the superbill consists in its entirety of one uncopyrightable blank form and hence cannot be copyrightable as a compilation.

Id., 893 F.2d 1104, 1108 n. 3. The application here likewise is a single form to which the blank forms rule applies. Thus, according to *Bibbero*, the compilation analysis is inapplicable.

In their post-hearing brief, Plaintiffs raise legal theories and arguments that were not previously asserted. Plaintiffs assert that the forms are taken outside of the blank forms rule because they are integrated with Plaintiffs' website, which Plaintiffs state contains several pages of information.

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Plaintiffs further represent that they established and maintained a website for the purpose of communicating their services to potential healthcare providers and health service organizations, such as hospitals. They claim that the pages on the website, marked with a copyright symbol, include information on becoming an employee, open positions, pricing and support-staff, choices of travel and practice areas and hours, and various aspects of Plaintiffs' system, such as free accounting services, special check cashing methods, and a trademarked tax savings plan. The site also includes a link that summarizes the nurse registration requirements for each state and conveys information to potential healthcare organizations about their services. Plaintiffs represent that the application form is accessible only via the comprehensive website. Plaintiffs state the website address and offer to submit further declarations authenticating various web pages should the Court so desire or request. Plaintiffs contend that the form and the website are an integrated work, as in *Williams*.

With respect to summary judgment motions, the materiality of facts is determined by the pleadings; generally, the motion will not be granted on the basis of claims or defenses not pleaded. William W. Schwarzer, Wallace Tashima, & James M. Wagstaffe, California Practice Guide: Federal Civil Procedure before Trial, § 14:27.1 (2002). Here, the copyrightability of the entire website was not alleged in the first amended complaint. In the general allegations of the first amended complaint, the Plaintiffs alleged that prospective applicants could obtain the application form from Plaintiff's web site, (Compl. at 2), and that Defendant used a substantially identical application form and made it

available to its nurse applicants on its web site, (*id.* at 3). However, Plaintiffs alleged not that Defendants infringed the Plaintiff's copyrighted web site, which included the application form; rather, Plaintiffs alleged that the Defendants used the application form, which was separately copyrighted. (*Id.* at 3). The gravamen of the first claim for relief, which seeks relief for copyright infringement, was for infringement of the copyright of the application form by Defendant's unauthorized reproduction, distribution, and duplication of the application form, to which Defendant allegedly had access through the internet and "potentially other avenues." (*Id.* at 4.) Plaintiffs alleged that they had suffered damage to their business reputation and goodwill, diversion of trade, and loss of profits. (*Id.*) The original scheduling order of July 5, 2001, likewise described the case as one regarding infringement of the copyright of the application form, although reference was made to the placement and use of the Plaintiff's application form on its website. (*Id.* at 2-4.)

Likewise, the focus of the Defendant's motion was whether the application was sufficiently original and creative to be subject to copyright, and whether any showing that the allegedly infringing use caused loss of profits or diminution of the value of the application. In its opposition to the motion, Plaintiffs argued that what was subject to copyright was their application, and specifically as a compilation or organization of the employment information of applicants, including the order, sequence, and topical arrangement of the questions; the "graphics" that arranged the information; and the actual words used to ask questions, give instructions on how to complete the form, and give general advice and recommendations on the application process. (Memo. in Opp.

at 4-6.) Plaintiffs did not argue that the application form was subject to copyright because of its inclusion in a website; they did not offer any evidence about the website or any copyright thereof; and they did not seek to amend the pleadings to allege such a theory or claim. Only when submitting a post-hearing supplemental brief on the application of the *Bibbero* case and the blank forms rule did Plaintiffs first argue that it "is reasonable to characterize the [application] as a portion of an integrated work," namely, a website the pages of which Plaintiff stated were marked with a copyright symbol. (Plaintiffs' Supp. Memo. at 7.) However, even when making that argument, Plaintiffs neither sought to amend the pleadings nor provided the Court with any supporting evidentiary materials establishing the contents of the website at the pertinent time.

It is not clear that the application form, which was separately copyrighted and has been heretofore treated independently of the website in this case, is sufficiently attached to or integrated with the website to be analyzed as part of it. No evidence is presently before the Court, and taking judicial notice would not resolve the matter because as Defendant points out, there is no foundation showing that Plaintiff's current website reflects the site during the period of alleged infringement. Thus, the Court need not consider the Plaintiff's website. *See Kaplan v. Rose*, 49 F.3d 1363, 1370 (9th Cir. 1994). Although the addition of new issues during the pendency of the summary judgment motion may be treated as a motion for leave to amend the complaint, *id.*, Defendant's objections are well taken. Plaintiffs' unexplained delay in making this claim almost a year and one-half after the filing of the action, months after discovery (except for a

limited deposition regarding profits) has closed, and in a supplemental opposing brief during summary judgment proceedings, is undue. Defendant has proceeded through the period of discovery and trial preparation on the basis of the first amended complaint and would suffer further delay and loss of resources in having to defend an action on a theory of infringement of a copyrighted website. The Court declines Plaintiffs' offer to provide in the future evidence about the website; and, having no evidence before it regarding the website, the Court rejects Plaintiffs' claim that the application is subject to copyright as part of the copyrighted website.

In summary, although the application form was registered by the Copyright Office, Defendants have met their burden of demonstrating why the copyright is not valid. Plaintiffs contend that it would be error for the Court to determine whether the application is worthy of copyright protection because it is a question of fact for a jury. However, whether a work is entitled to copyright protection is a mixed question of fact and law; a party is entitled to summary judgment if no reasonable jury could find that the work was subject to copyright protection. *Ets-Hokin v. Skyy Spirits, Inc.*, 225 F.3d 1068, 1073 (9th Cir. 2000) (citing *Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197, 201); *Worth v. Selchow & Righter Co.*, 827 F.2d 569, 571 (9th Cir. 1987), *cert. denied* 485 U.S. 977 (1988). Summary judgment is appropriate where a party is entitled to judgment as a matter of law on the question of copyrightability. *Bibbero*, 893 F.2d at 1105, 1108-09. The Court concludes that here, Defendant is entitled to judgment as a matter of law on the issue of whether or not the application form is subject to copyright.

Appendix B

VI. *Whether Plaintiffs' State Unfair Competition and Unjust Enrichment Claims Are Preempted by the Copyright Act*

Defendant argues that Plaintiffs' unfair competition claims are preempted by the Copyright Act and that thus there are no distinct state law claims.

Title 17 U.S.C. § 301 provides in pertinent part:

> (a) On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.
>
> (b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to--
>
> (1) subject matter that does not come within the subject matter of copyright as specified by sections 102 and 103, including works of

> authorship not fixed in any tangible medium of expression; or
>
> . . . .
>
> (3) activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106. . . .

In order for preemption to occur under the federal Copyright Act, 1) the content of the protected right must fall within the subject matter of copyright as described in 17 U.S.C. §§ 102 and 103; and, 2) the right asserted under state law must be equivalent to the exclusive rights contained in section 106 of the Copyright Act. *Downing v. Abercrombie & Fitch*, 265 F.3d 999, 1003 (9th Cir. 2001).

The subject matter of copyright includes "original works of authorship fixed in any tangible medium of expression," 17 U.S.C. § 102; "works of authorship" include literary works, dramatic works, and motion pictures, 17 U.S.C. § 102(a), as well as "compilations and derivative works." 17 U.S.C. § 103(a). The Copyright Act protects against unauthorized reproduction or distribution of such works. 17 U.S.C. § 106.

At argument, the parties agreed that if the application form were to be found not subject to copyright as a blank form, then the unfair competition claims would not be preempted, and the case would belong in state court. However, it is not clear to the Court that the conclusion that

the blank form, which is otherwise a work of authorship in a fixed tangible form, is not actually protected under the Act because of a lack of originality renders the right sued upon in state court one "with respect to subject matter that does not come within the subject matter of copyright as specified by sections 102 and 103" within the meaning of 301. The legislative history of the Copyright Act of 1976 clearly indicates the contrary:

> As long as the work fits within one of the general subject matter categories of sections 102 and 103, the bill prevents the States from protecting it even if it fails to achieve Federal statutory copyright because it is too minimal or lacking in originality to qualify, or because it has fallen into the public domain.

Financial Information v. Moody's Investors Service, 808 F.2d 204, 209 (2nd Cir. 1986) (citing H. R. Rep. No. 1476, 94th Cong., 2d Sess., 131 *reprinted in* 1976 U.S.C.C.A.N.). Although no Ninth Circuit case directly on point has been found, it has been held that a work that is not sufficiently original to be protected by a copyright is nevertheless within the general subject matter of copyright and thus subject to preemption by the Copyright Act. *Financial Information v. Moody's Investors Service*, 808 F.2d 204, 209 (2nd Cir. 1986), *cert. denied* 484 U.S. 820 (1987) (holding that where the plaintiff, a publisher, failed to establish that its financial reporting service was sufficiently original [because of lack of selection or choice] to merit copyright protection as a compilation, the publisher's state law misappropriation claim was preempted by federal copyright law); *Hamer & Row*

Publishers. Inc. v. Nation Enters, 723 F.2d 195, 200-01 (2d Cir.1983), rev'd on other grounds, 471 U.S. 539, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985) (holding that state law claims based on the copying of excerpts from President Ford's memoirs were preempted even with respect to information that was purely factual and not copyrightable); *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905 (2nd Cir. 1980) (holding that state unfair competition claims based on copying figures were preempted even though the figures were determined not to be original enough to merit copyright protection). The reason for this is to prevent states from protecting works of authorship that Congress has decided should be in the public domain, which it can accomplish only if a subject matter of copyright includes all works of a *type* covered by sections 102 and 103, even if federal law does not afford protection to them. *See ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1453 (7th Cir. 1996); *Baltimore Orioles v. Major League Baseball Players*, 805 F.2d 663, 676 (7th Cir. 1986); *Lattie v. Murdach*, 1997 WL 33803, *3, 42 U.S.P.Q.2d 1240 (N.D.Cal. 1997). District courts within our circuit have recognized this principle as valid. *Lattie v. Murdach*, 1997 WL 33803, *3; *Idema v. Dreamworks, Inc.*, 162 F.Supp.2d 1129, 1189 (C.D.Cal. 2001); *Selby v. New Line Cinema Corp.*, 96 F.Supp.2d 1053, 1058 (C.D.Cal. 2000).

Thus, the Court concludes that application form, or the content of the protected right, falls within the subject matter of copyright within the meaning of 17 U.S.C. §§ 102 and 103.

As to whether or not the rights asserted in Plaintiffs' state law claims are equivalent to the exclusive rights contained

in § 106, the preemption analysis "involves determining whether the state law claim contains an element not shared by the federal law, an element which changes the nature of the action so that it is qualitatively different from a copyright infringement claim." *Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys.*, 7 F.3d 1434, 1439 (9th Cir. 1993). This process has been described as a fact-specific inquiry in which the court must look to see whether the state law claims as they are asserted are "equivalent" to a federal copyright claim. *Idema v. Dreamworks, Inc.*, 162 F.Supp.2d at 1190.

In their statutory claim, Plaintiffs seek damages pursuant to Cal. Bus. and Prof. Code § 17200 for Defendant's utilization of a profitable and easily recognizable application with a unique layout that has caused Plaintiffs to receive a number of Defendant's applications and has created a likelihood that applicants and the public generally 1) will be confused or misled as to the source of those services, and 2) will be likely to believe that Defendant's business is identical to or affiliated with Plaintiff's, which will in turn injure good will and business and will result in unjust enrichment. (FAC at 5.)

Defendant relies on *Kodadek v. MTV Networks, Inc.*, 152 F.3d 1209, 1212-13 (9th Cir. 1998), in which the court held that an unfair competition claim pursuant to § 17200 was preempted by the (Copyright Act where the plaintiff alleged unauthorized use of cartoon drawings and release of merchandise derived from the drawings; the court reasoned that the rights involved in the state claim were the right to reproduce the work and to prepare derivative works based on the copyrighted work, which were granted by 17 U.S.C.

§ 106. Here, however, the claim involves not merely reproduction of the form, but also a claim that the use additionally created a likelihood of confusion and belief that Defendant's and Plaintiffs' businesses were affiliated, which in turn damaged the good will of the business. The claim thus contains additional elements of creation of a likelihood of, and actual, confusion about the identity and status of affiliation of the parties' respective businesses. Further, it seeks not a remedy for loss of value of the application form or for loss of profits from the use of it, but rather compensation for the injury to the good will of the business resulting from the confusion as to the identity and status of the businesses. Unlike the situation of *Kodadek*, here the central allegations of the claim relate not solely to infringement, but also to the causation of confusion about the business entities and the resulting damage to the goodwill of Plaintiffs' business. These allegations involve interests that go beyond those protected by the Copyright Act and that are arguably within the extremely broad scope of protection of California's unfair competition law, which prohibits any unlawful, unfair or fraudulent business practice, *id.* at 1212. The claim is thus qualitatively different from a copyright claim. Further, it is Plaintiffs' entire application form that was appropriated. *See Salim v. Lee*, 202 F.Supp.2d 1122, 1125-1127 (distinguishing *Kodadek* and finding reverse palming off not preempted where full or bodily appropriation of the item was alleged).

Defendant also relies on *Xerox Corporation v. Apple Computer, Inc.*, 734 F.Supp. 1542 (N.D.Cal. 1990), in which the court found insufficient to state a claim under the California unfair competition statute allegations that

confusion resulted from copyright infringement and in turn dissuaded others in the industry from dealing with the Plaintiff; the court relied on the absence of an allegation that there was a likelihood of consumer confusion as to the source or sponsorship such that the public was misled into thinking that the defendant's product was actually the Plaintiff's. *Id.* at 1550. The court held that the state claims of unfair competition and business practices were preempted by the Copyright Act. However, fairly read, the FAC in the instant action alleges that type of confusion as well as additional injury. Further, as Plaintiffs note, "unfair" in the context of the breadth of California's unfair competition statute means any practice which causes harm to the victim that outweighs its benefits; "fraudulent," as used in the statute, does not refer to the common law tort of fraud but only requires a showing members of the public are likely to be deceived. *Saunders v. Superior Court*, 27 Cal.App.4th 832, 838-39 (1994).

As to the common law claim, Plaintiffs seek damages pursuant to California's common law of unfair competition because Defendants have used a successful and uniquely laid out application to the confusion of some applicants who have sent their applications to Plaintiff and have created a likelihood that applicants and the public will be confused or misled as to the source of services because they will think Defendant's business is identical with or affiliated with Plaintiffs' business. This claim, which involves imitation of the form known to the public by its distinctiveness and causing deception or confusion to buyers as to the origin of the form, may be considered unfair competition. 11 Witkin, Summary of California Law, § 86 (9th ed. 1990). The claim is virtually identical with the statutory claim and thus may be similarly distinguished from Defendant's authorities.

Plaintiff's constructive trust claim incorporates the previous allegations, including those regarding unfair competition, and it thus appears to relate to obtaining Defendant's profits from the unfair competition that would be derived from the confusion as to the business identity and thus would not be preempted to the extent that it rests upon the state unfair competition claims.

The claim for an accounting is premised on the recovery of profits pursuant to the Copyright Act and thus appears to be a federal claim completely dependent upon the copyright claim.

In summary, Plaintiff's state claims of unfair competition and constructive trust are not preempted by the Copyright Act.

VII. *Whether to Exercise Supplemental Jurisdiction*

At the hearing, the counsel for the parties agreed that if the Court concluded that the form was not subject to copyright, the state claims belonged in state court or should be remanded there. Because this case was initially filed here, as distinct from being removed to this Court, no remand is possible. However, the Court will consider whether to exercise supplemental jurisdiction.

Title 28 U.S.C. § 1367 provides in pertinent part:

> (a) Except as provided in subsections (b) and (c) or as expressly provided otherwise by Federal statute, in any civil action of which the district

> courts have original jurisdiction, the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action within such original jurisdiction that they form part of the same case or controversy under Article III of the United States Constitution. Such supplemental jurisdiction shall include claims that involve the joinder or intervention of additional parties.
>
> . . . .
>
> (c) The district courts may decline to exercise supplemental jurisdiction over a claim under subsection (a) if--
>
> (1) the claim raises a novel or complex issue of State law,
>
> (2) the claim substantially predominates over the claim or claims over which the district court has original jurisdiction,
>
> (3) the district court has dismissed all claims over which it has original jurisdiction, or
>
> (4) in exceptional circumstances, there are other compelling reasons for declining jurisdiction.

Here, the Court will dismiss the federal copyright claim over which it originally had jurisdiction. However, even if a federal

claim fails for lack of merit, federal jurisdiction initially existed over the claim if it was sufficiently substantial, that is, not absolutely devoid of merit or obviously frivolous. *Gilder v. PGA Tour, Inc.*, 936 F.2d 417, 421 (9th Cir. 1991) (regarding pendent jurisdiction). Here, the elements of a copyright claim were stated, and sufficient facts were alleged to state a prima facie claim of copyright infringement such that it was not insubstantial. Thus, pursuant to § 1367(a), the Court has supplemental jurisdiction over all claims so related to the federal claim that the claims form part of the same case or controversy such that they share a common nucleus of operative fact. *Id.*

The Court must exercise its discretion either to retain the supplemental state law claims and grant relief thereon, or to dismiss the state claims. Exercise of supplemental jurisdiction is within the discretion of the Court, *United Mine Workers of America v. Gibbs*, 383 U.S. 715, 726 (1966), and will be reviewed for clear error, *Imagineering, Inc. v. Kiewit Pacific Co.*, 976 F.2d 1303, 1309 (9th Cir. 1992). Where the federal claims have been dismissed, the Court should consider factors of economy, convenience, fairness, and comity. *Imagineering, Inc. v. Kiewit Pacific Co.*, 976 F.2d at 1309. In balancing the factors in the usual case involving dismissal of all federal claims, conservation of judicial resources is a weighty factor that will often indicate that declining to exercise jurisdiction over state law claims will be appropriate. *Id.* The Court need not exercise its discretion sua sponte, but if on its own initiative or at the request of a party, the Court declines to retain supplemental jurisdiction following dismissal of claims over which it had original jurisdiction, it is required to state reasons for its decision. *Acri v. Varian Assoc., Inc.*, 114 F.3d 999, 1000 (9th Cir. 1992).

Here, the sole federal claim will be dismissed. The parties at argument stated that if the Court granted summary adjudication of the copyright claim, then the remaining claims "belonged in" state court. The Court interprets these remarks as indicating that the parties' positions are that neither fairness nor convenience requires the exercise of supplemental jurisdiction. Further, although the Court's resources have been expended on the case, the efforts undertaken have mainly related to the copyright claim as distinct from the unfair competition claims. Thus, economy would support the Court's declining to exercise jurisdiction. Finally, comity favors declining jurisdiction because only state law questions remain, and it is appropriate that a state court determine and apply the peculiarly broad state law of unfair competition and business practices.

Thus, the Court exercises its discretion to decline to exercise supplemental jurisdiction.

VIII. *Conclusion*

The Court concludes that Defendant has met its burden of showing that there is an absence of a genuine issue of material fact as to whether or not the Plaintiffs' application form is subject to copyright. Plaintiffs have not made a showing sufficient to establish an element essential to their case and on which they bear the burden of proof; Defendant has shown that as a matter of law, Plaintiff's application form is not subject to copyright. Thus, the Court will order judgment in favor of Defendant.[1] Further, the Court concludes

1. In view of the Court's determination on the issue of copyrightability, the Court does not reach Defendant's contention

(Cont'd)

that the state law claim for an accounting is preempted, but the state law claims of unfair competition and constructive trust are not preempted, and the Court exercises its discretion to decline to exercise supplemental jurisdiction over them. Because of the Court's ruling, the motion to stay discovery of profits IS DENIED as moot.

Accordingly, it IS ORDERED that

1. Defendant's motion for summary adjudication IS GRANTED IN PART as to the issue of Plaintiffs' application form's copyrightability and as to the issue of the preemption of the accounting claim, and IS DENIED as to the issue of preemption of the state law claims of unfair competition and constructive trust: and

2. As to Plaintiffs' state law claims of statutory and common law unfair competition and the related constructive trust claim, which are not preempted, the Court DECLINES TO EXERCISE supplemental jurisdiction, and such claims ARE DISMISSED pursuant to 28 U.S.C. § 1367(c)(3) without prejudice to their refiling in state court; and

3. This Court's order staying discovery of profits pending ruling on the summary adjudication motion IS VACATED, and Defendant's motion to stay discovery IS DENIED because it is moot; and

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(Cont'd)
that there is an absence of a genuine issue of material fact as to Plaintiffs' suffering damages or showing that any infringement caused Plaintiff a loss of indirect profits. Because the Court does not reach the issue, the Court will not schedule argument on the issue.

4. The Clerk of Court IS DIRECTED to enter judgment for Defendant because this order terminates the case in its entirety. IT IS SO ORDERED.

DATED: August 27, 2002

s/ Sandra M. Snyder
SANDRA M. SNYDER
UNITED STATES MAGISTRATE JUDGE